

INDECK KEYSTONE ENERGY, LLC : 2000 KNOWLEDGE PARKWAY, SUITE 200 * ERIE, PENNSYLVANIA 16515-0880
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September 10, 2004

Mark White, General Manager
Victory Energy Operations, LLC
P.O. Box 638
Owasso, OK 74055

Dear Mr. White:

As you may already be aware, CMI America Inc., through its subsidiary CMI EPTI LLC ("CMI"), consummated a transaction on September 8, 2004 with this organization pursuant to which all of the former Erie Power Technologies Inc. ("EPT") assets comprising the Keystone Energy division, as well as other valued assets were sold to Indeck Keystone Energy, LLC ("IKE"). This transaction was consummated after CMI acquired all of EPTI's assets, including the license agreement between EPTI and VEO dated January 7, 2003, consistent with the United States bankruptcy Court approval of such transaction.

Now that the above referenced VEO license agreement has been lawfully assigned by CMI to IKE, and IKE has assumed all of CMI's rights and obligations under the License Agreement, we wanted to formally acknowledge that IKE, as successor Licensor under the subject agreement, is now prepared to continue with any and all of the obligations imposed on it as Licensor under the License Agreement with VEO. We trust that VEO, based on its recent correspondence with IKE's predecessors in interest, will equally abide by all of its obligations and comply with all of the terms and conditions of the continued license now being provided to VEO by IKE under the License Agreement.

IKE, as an organization, has a wealth of boiler experience at its disposal and is ready, willing and able to support VEO's endeavors as its exclusive Licensee of the specific "M" Series product line specifically delineated and set forth in the License Agreement. As you can appreciate, IKE now stands in the shoes of its predecessors in interest under the License Agreement, and has become aware of a dispute with respect to VEO's failure to strictly adhere and comply with the scope of the License Agreement. In order to establish a good working relationship with VEO, we request that VEO restrict its boiler activities to that which is contemplated under the License Agreement, which as you know, is the aforementioned "M" Series product line.

We trust that VEO desires a mutually beneficial economic relationship with IKE under the License Agreement. Please let me know if there is any way IKE can be of assistance under the License Agreement.

Very Truly Yours,

Chris Petcos
General Manager

CP:jas
cc: R. Gdaniec

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